

**A RESOLUTION
BY FINANCE/EXECUTIVE COMMITTEE**

A RESOLUTION AMENDING SECTION 2 OF RESOLUTION NO, 03-R-1310, AUTHORIZING THE MAYOR TO ENTER INTO VARIOUS LEASE AGREEMENTS AT THE JOHN C. BIRDINE, DUNBAR AND GEORGIA HILL NEIGHBORHOOD SERVICE CENTERS. THIS RESOLUTION, AMENDING SECTION 2 TO INCREASE THE RENTAL RATE FROM \$8.44 PER SQUARE FOOT ANNUALLY TO \$10.00 PER SQUARE FOOT ANNUALLY ON BEHALF OF THE EXECUTIVE OFFICES-OFFICE OF ENTERPRISE ASSETS MANAGEMENT.

WHEREAS, the Executive Offices-Office of Enterprise Assets Management through assignment, now manages the day-to-day operations for the neighborhood service centers (the "Centers") identified as John C. Birdine, Dunbar and Georgia Hill; and

WHEREAS, the Director of the Centers has been reassigned from the Department of Parks, Recreation and Cultural Affairs to the Office of Enterprise Assets Management and shall have the overall responsibility of managing the Centers; and

WHEREAS, the Centers house various public and private agencies that provide services to residents in the surrounding communities, which range from child day care to social services programs; and

WHEREAS, the Centers rent small to large rooms that are used for meetings and multipurpose functions such as weddings, receptions, parties, luncheons, and dinners; and

WHEREAS, Resolution No. 03-R-1310 authorized the Mayor to enter into lease agreements at the Centers at a rental rate of \$8.44 per square foot annually.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, AS FOLLOWS:

Section 1: That Resolution No. 03-R-1310 shall be amended to increase the current rental rate for each new lease at each Neighborhood Service Center to \$10.00 per square foot of space leased, on an annual basis.

Section 2: That all rent payments on each new lease that are not received by the 15th of each month or, if the 15th is a weekend or holiday, by the next business day, are subject to a late-payment fee of \$25.00.

Part II: Legislative White Paper: (This portion of the Legislative Request Form will be shared with City Council members and staff)

A. To be completed by Legislative Counsel:

Committee of Purview:

Caption:

Council Meeting Date:

Requesting Dept.:

B. To be completed by the department:

1. Please provide a summary of the purpose of this legislation (Justification Statement).

The purpose of this legislation is to amend § 2 of legislation 03-R-1310 to increase the rental rate for the three (3) Neighborhood Service Centers – John C. Birdine, Dunbar, and Georgia Hill from \$8.44 per square foot annually to \$10.00 per square foot annually on behalf of the Office of Enterprise Assets Management. In addition all rent payments on each new lease that are not received by the 15th of each month, or if the 15th is a weekend or holiday, by the next business day, are subject to a late payment fee of \$25.00.

.2. Please provide background information regarding this legislation.

Legislation No. 03-R-1310 authorized the Mayor to enter into lease agreements at the Neighborhood Service Centers-John C. Birdine, Dunbar, and Georgia Hill at a rental rate of \$8.44 per square foot annually.

3. If Applicable/Known:

- (a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):** N/A
- (b) **Source Selection:** N/A
- (c) **Bids/Proposals Due:** N/A
- (d) **Invitations Issued:** N/A
- (e) **Number of Bids:** N/A
- (f) **Proposals Received:** N/A
- (g) **Bidders/Proponents:** N/A
- (h) **Term of Contract:** N/A

4. Fund Account Center: TBD

5. Source of Funds: N/A

6. Fiscal Impact: The three Neighborhood Service Centers, taken together, currently operate at a net loss of approximately \$750,000 annually. Increasing the annual rent per square foot by \$1.56, from \$8.44 to the recommended level of \$10.00, is projected to raise the revenue from rents by \$25,000 to \$35,000 annually for each of the next three years. While the recommended rate represents an overall 18.5% increase in rent, the current rate has been in effect since at least 2002. Thus, the recommended rate only represents an annual increase of about 2.5%. Based on current figures, the Centers will still be operating at an annual deficit of approximately \$650,000 at the end of the three-year period; but it should be noted that city departments - which pay no rent - account for over 20% of the total space available within the Centers.

There is no projection available regarding the fiscal impact of the proposed late payment fee, but its effect should be modest.

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By: Perceta Watkins

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Dept.'s Legislative Liaison: Perceta Watkins

Contact Number: 404-330-6569

Originating Department: Executive Offices/Office of Enterprise Assets Management

Committee(s) of Purview: Finance /Executive Committee

Chief of Staff Deadline October 29, 2008

Anticipated Committee Meeting Date(s): November 11-12, 2008

Anticipated Full Council Date: November 17, 2008

Legislative Counsel's Signature: Adrian L. Jackson

Commissioner Signature: [Signature]

Chief Procurement Officer Signature: [Signature]

CAPTION

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Mayor's Staff Only

Received by CPO: _____ Received by LC from CPO: _____
(date) 10/30/08 (date)

Received by Mayor's Office: [Signature] Reviewed by: 10/31/08 [Signature]
(date) (date)

Submitted to Council: _____